

13-14-307.5 Termination, cancellation, or nonrenewal of a recreational vehicle franchise agreement.

- (1) This section applies only to a recreational vehicle franchisee's termination, cancellation, or nonrenewal of:
 - (a) a recreational vehicle franchise; or
 - (b) a recreational vehicle line-make.
- (2)
 - (a) A recreational vehicle franchisee may, at any time and with or without good cause, terminate, cancel, or not renew its recreational vehicle franchise agreement or a recreational vehicle line-make by giving 30 days' prior written notice to the recreational vehicle franchisor.
 - (b) A franchisee has the burden of showing that a termination, cancellation, or nonrenewal is for good cause.
 - (c) Good cause for a franchisee's termination, cancellation, or nonrenewal is considered to exist if:
 - (i) the franchisor is convicted of or enters a plea of nolo contendere to a felony;
 - (ii) the business operations of the franchisor are:
 - (A) abandoned; or
 - (B) closed for 10 consecutive business days, unless the closing is due to an act of God, a strike, a labor difficulty, or another cause over which the franchisor has no control;
 - (iii) the franchisor makes a misrepresentation that materially and adversely affects the business relationship with the recreational vehicle franchisee;
 - (iv) a material violation of this chapter is not cured within 30 days after the franchisee gives 30 days' written notice of the violation to the recreational vehicle franchisor; or
 - (v) the recreational vehicle franchisor:
 - (A) becomes insolvent;
 - (B) declares bankruptcy; or
 - (C) makes an assignment for the benefit of creditors.
- (3) If the franchisee terminates, cancels, or does not renew the recreational vehicle franchise agreement or line-make for cause, the franchisor shall, at the franchisee's election and within 45 days after termination, cancellation, or nonrenewal, repurchase:
 - (a)
 - (i) all new, unaltered recreational vehicles, including demonstrators, that the franchisee acquired from the franchisor within 18 months before the date of the termination, cancellation, or nonrenewal; and
 - (ii) for a repurchase price equal to 100% of the original net invoice cost, including transportation, reduced by:
 - (A) any applicable rebates and discounts to the franchisee; and
 - (B) the cost to repair any damage to a repurchased recreational vehicle, if the vehicle is damaged after delivery to the franchisee but before repurchase occurs;
 - (b)
 - (i) all undamaged accessories and proprietary parts sold by the recreational vehicle franchisor to the franchisee within one year before termination, cancellation, or nonrenewal, if accompanied by the original invoice; and
 - (ii) for a repurchase price equal to 100% of the original net invoice cost, plus an additional 5% of the original net invoice cost to compensate the franchisee for packing and shipping the returned accessories and parts to the franchisor; and
 - (c)

- (i) any properly functioning diagnostic equipment, special tools, current signage, and other equipment and machinery that:
 - (A) the franchisee purchased:
 - (I) from the franchisor within five years before termination, cancellation, or nonrenewal; and
 - (II) at the franchisor's request or because of the franchisor's requirement; and
 - (B) are no longer usable in the normal course of the franchisee's ongoing business, as the franchisee reasonably determines; and
 - (ii) for a repurchase price equal to 100% of the original net cost that the franchisee paid, plus any applicable shipping charges and sales taxes.
- (4) A recreational vehicle franchisor shall pay the franchisee all money due under Subsection (3) within 30 days after the franchisor's receipt of the repurchased items.

Enacted by Chapter 33, 2010 General Session